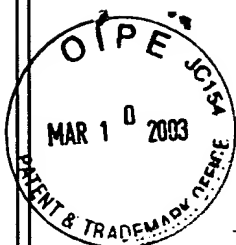


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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of)
Richard ROTHKOPF)
Serial No. 09/520,798) Examiner: John L. Young
Filed: March 8, 2000) Group Art Unit: 3622
For: INCREMENTAL PROMOTION)
FOR ELECTRONIC COMMERCE)

RECEIVED

MAR 13 2003

TRANSMITTAL OF APPEAL BRIEF

GROUP 3600

Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

Enclosed in connection with the above-referenced application is an Appeal Brief with Appendix in triplicate. A check is enclosed to cover the following fees: \$160.00 to cover the fee for filing a brief in support of a notice of appeal.

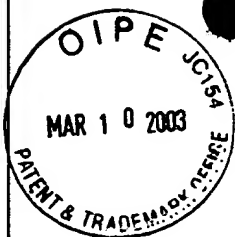
Also, please charge any additional fees or credit any overpayment to Deposit Account No. 02-2135. A duplicate copy of this sheet is enclosed.

Respectfully submitted,

ROTHWELL, FIGG, ERNST & MANBECK, p.c.

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Anthony Davis
#12/Brief
on
Appeal
3-18-03

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of

Richard ROTHKOPF

Serial No. 09/520,798

Filed: March 8, 2000

For: INCREMENTAL PROMOTION
 FOR ELECTRONIC
 COMMERCE

) **BEFORE THE BOARD OF PATENT**
) **APPEALS AND INTERFERENCES**

) Appeal No.:

) Examiner: John L. Young

) Group Art Unit: 3622

) March 10, 2003
) (Monday)

RECEIVED

MAR 13 2003

GROUP 3600

BRIEF ON APPEAL

Assistant Commissioner for Patents
 Washington, D.C. 20231

Dear Sir:

This is an appeal from the final rejection of claims 1-13, 15-21 and 23-25 of the above-identified application, which claims were finally rejected in the Office action dated July 9, 2002. A response to the final Office action was filed on October 9, 2002, but not until January 9, 2003 was an Advisory action mailed. A Notice of Appeal was timely filed on January 9, 2003.

REAL PARTY IN INTEREST

The real party in interest in this case is webloyalty.com of Norwalk, Connecticut.

RELATED APPEALS AND INTERFERENCES

There are no other appeals or interferences which will directly affect or be directly affected by or have a bearing on the Board's decision in the present appeal.

STATUS OF THE CLAIMS

Claims 1-13, 15-21 and 23-25 are pending in the application. Claims 14 and 22 have been cancelled. Claims 1, 10 and 19 are the independent claims on appeal. Claims 1-13, 15-21 and 23-25 stand rejected under 35 U.S.C. § 103(a). This appeal is directed to claims 1-13, 15-21 and 23-25.

STATUS OF AMENDMENTS

No proposed amendment after final rejection has been filed in this application. However, the Advisory action dated January 9, 2003 indicated that the rejection under 35 U.S.C. § 112, first paragraph was withdrawn.

SUMMARY OF THE INVENTION

The present invention relates generally to the field of electronic commerce, and in particular to a method and apparatus for offering promotional awards to visitors of electronic commerce sites (i.e., web sites on the Internet) as a motivation to the visitor to return to the site to transact business, thereby building customer loyalty.

According to the invention, as shown in Fig. 1, an electronic commerce site 106 is connected to a distributed communication network 100 to which a number of potential customers 101 also are connected, and includes a promotional awards storage area 115. The promotional awards storage area 115 includes a visitor identifier storage 121, number of previous visits storage 124, award amount storage 129, and award time storage 131. Each time a new visitor requests a web page from the electronic commerce site, a new awards storage area is created for that visitor and the visitor is given a unique identifier, which is placed on the visitor's computer in the form of a "cookie." The unique identifier also is stored in the storage 121 of the awards storage area 115 for that visitor. The apparatus is described at page 5, line 8, to page 6, line 20.

The commerce site 106 also includes an awards rulebase 109, which stores rules pertaining to the accumulation of awards points, eligibility for awards, and distribution of awards. The awards rule base 109 is described at page 6, line 21 to page 8, line 2. As shown in Fig. 2, when a user requests access to the electronic commerce site 106, the access or "visit" is detected at step 202, such as by detecting the user's IP address (new visitors), or detecting a cookie previously placed on the user's computer by the electronic commerce site (previous visitors). At step 204, an award is given to the visitor for visiting the site. The award may be an immediate award such as a discount coupon, monetary credit toward a purchase, etc., or may be an incremental award such as an award of points, which may be accumulated and stored in the award amount storage 129 of the storage area 115. At step 209, the present award is added to the existing stored award amount and the cumulative

total is then stored in the storage 129. Otherwise, at step 208 the newly awarded points or other benefit are simply stored in the storage 129. The visitor may redeem the award at a later time or may use the award immediately, depending upon the particular rules of the site as contained in the award rule base 109.

According to Fig. 3, in an alternative embodiment, certain award amount limits and time limits are placed on the eligibility for receiving awards, as shown in steps 307 and 312. The award limits and award frequencies are compared with values stored in the storages 129 and 131. If these limits have been exceeded the visitor is not credited with any additional award and the process terminates. Otherwise, the award is given to the user and stored as explained above. If the user makes a purchase, at step 329 the value of the stored awards is credited to the purchase, otherwise the award value is stored until the next visit by the user, and the process terminates.

ISSUES

This appeal presents the following issue for decision by the Board:

1) Whether claims 1-13, 15-21 and 23-25 are obvious over Leason et al, U.S. Patent No. 6,251,017 ("Leason") in view of Reed et al. , U.S. Patent No. 5,862,325 ("Reed").

GROUPING OF CLAIMS

Claims 1-13, 15-21 and 23-25 stand or fall together for purposes of this appeal, and will not be separately argued in the brief.

ARGUMENT

The Rejection of Claims 1-13, 15-21 and 23-25 Under 35 U.S.C. § 103 Is Improper

The rejection of claims 1-13, 15-21 and 23-25 under 35 U.S.C. § 103(a) as being unpatentable over Leason in view of Reed is improper and should be reversed. Leason is directed to a method for encouraging individuals to visit designated web sites, but that is where any similarity to the present invention ends. Leason does not disclose a method or apparatus for providing promotional awards to a visitor of an electronic commerce site by keeping track of the identity of visitors to the site, storing visitor parameter information pertaining to prior visits of identified visitors to the site, and crediting promotional awards by applying defined awards rules to the visitor parameter information stored for each visitor to the electronic commerce site.

Instead, Leason awards to individuals "e-points" in the form of game cards or receipts distributed at point-of-sale locations such as retail stores, movie theaters, etc. The game cards or receipts contain codes and designate Internet web sites at which an individual may validate the codes to obtain the "e-points." E-points may be accumulated only during a single on-line session by entering additional codes from additional game cards or receipts. In Leason, no identification of the visitor is performed. See col. 2, ll. 18-19. Consequently, no information pertaining to prior visits of the visitor to the web site is or can be stored in Leason. To the contrary, Leason simply allows an anonymous visitor to validate reward codes, and then redeem the codes in the form of access to a restricted web page or activation of a coded coupon, in real time.

The final Office action acknowledges that Leason “lacks an explicit recitation of all the elements and limitations” of the claims on appeal. However, in addition to the admitted lack of any explicit disclosure, Leason also fails to provide any implicit suggestion to those skilled in the art to have arrived at the claimed invention. Contrary to the assertions in the Office action, “Leason (the ABSTRACT; FIG. 3; FIG. 5; col. 1, ll. 5-9; col. 2, ll. 1-19; col. 2, ll. 30-55; and col. 12, ll. 27-35)” does not “show elements that suggest [the invention set forth in claim 1].” Appellant has reviewed each of the multiple citations to the various portions of the Leason disclosure, and is unable to find any such disclosure or to understand how the Examiner interprets the cited portions to correspond to the claimed invention. The Office action fails to provide any substantive explanation of the relevance of any of the multiple citations to Leason to the requirements of the claimed invention.

Additionally, the Office action uses an erroneous and incomprehensible standard for determining obviousness, to wit: “[i]t would have been obvious to a person of ordinary skill in the art at the time of the invention that the disclosure of Leason . . . would have been selected in accordance with the elements and limitations of claim 1 because such selection would have provided “*an incentive to visit a designated [Internet] site or service. . . . The customer is rewarded for visiting the designated [Internet] site(s) with a benefit that can be redeemed. . . . [or] awarded with a number of e-points*”. Contrary to the test used in the final rejection, in order for a claim to be obvious under 35 U.S.C. § 103, there must be some teaching, suggestion or motivation in the prior art to have arrived at the claimed invention. In re Mills, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990); In re Laskowski,

871 F.2d 115, 10 USPQ2d 1397 (Fed. Cir. 1989). Such teaching, suggestion or motivation must come not from having read the applicant's patent application or claims but instead must come from the prior art itself. A person of ordinary skill in the art would not "select the disclosure" "in accordance with the elements and limitations of the claims." Such a test appears to be very similar, if not identical, to a prohibited hindsight analysis of the claimed invention. The final rejection thus has failed to establish a prima facie case of obviousness with respect to the pending claims, and should be reversed on this ground alone.

Reed fails to cure this fundamental deficiency in Leason with respect to the claimed invention. Reed is directed to an automated data communication system which coordinates the transfer of data, metadata, and instructions between databases in order to control and process communications. Reed is completely irrelevant to the Leason system and irrelevant to the claimed invention.

Further, the final Office action provides no such motivation, teaching or suggestion in proposing to combine "the disclosures of Reed with the teachings of Leason." That such combination "would have provided means" as claimed in the present application does not constitute such a teaching, suggestion or motivation. In other words, the "motivation to combine" under § 103 is not motivation to arrive at the claimed invention as stated in the Office action, but instead must be motivation as described in the prior art to overcome some stated problem, achieve some stated purpose, or make some stated improvement.

The Office action has failed to explain where the Reed reference provides any suggestion or motivation to one of ordinary skill in the art to have provided a visitor

identification storage and associated visitor parameter storage in an electronic commerce apparatus as claimed. Reed is concerned with establishing an automated communications relationship between providers and consumers of information. Reed is not concerned with any game, lottery or any other type of promotional system as is the subject matter of Leason.

The Office action has further failed to show precisely where Reed discloses any of the features of the claimed invention admittedly missing from Leason. Specifically, the Office action has not pointed out where in "col. 6, ll. 48-67; col. 7, ll. 1-10, col. 78, ll. 25-67; col. 82, ll. 36; the ABSTRACT; FIG. 1; FIG. 3; FIG. 11; FIG. 15; FIG. 20; FIG. 34A; AND FIG. 35" Reed is alleged to disclose the relatively simple elements of providing a unique customer identification storage for each visitor to a site, and visitor parameter storage that contains information pertaining to prior visits to the site by visitors identified in the customer identification storage. If Reed in fact disclosed such a feature, it is not understood why reference must be made to four columns of disclosure and seven drawing figures to explain where such feature is disclosed.

Appellant has reviewed the prolix recitations to the Reed disclosure, and is unable to discern any disclosure of any of the features of the claimed invention that admittedly are not disclosed in Leason. Consequently, no combination of Reed with Leason would result in the invention as set forth in the claims pending in this application.

The 34 page Advisory action mailed January 9, 2003 does not rebut any of Appellant's arguments pointing out the deficiencies in the prior art references relied upon

and the deficiencies in the basis for the rejection as set forth in the final Office action. The Advisory action states that the Examiner is not persuaded by Appellant's arguments "because they amount to a general allegation of that (*sic*) the claims define a patentable invention without specifically pointing out how the claim language distinguishes over the prior art." The Examiner is mistaken.

First, Appellant has repeatedly explained in detail (as set forth above) that Leason fails to disclose or suggest any of the features of the claimed invention because Leason fails to disclose any of the specific features set forth in the claims on appeal. And as also explained, Reed is irrelevant to Leason and irrelevant to the claimed invention, such that no combination of Reed with Leason can or does cure the fundamental deficiency of Leason with respect to the claimed invention.

Second, it is axiomatic that the initial burden is upon the Examiner to establish a *prima facie* case of unpatentability, and is not upon patent applicants to point out how the claimed invention distinguishes over prior art. Only where such a *prima facie* case has been established, does the burden shift to the patent applicant to rebut such showing. See In re Rijckaert, 9 F.3d 1531, 28 USPQ2d 1955 (Fed. Cir. 1993)(if Examiner fails to establish *prima facie* case, the rejection is improper and will be overturned). In the present case, Appellant has shown that the Examiner's rejection is flawed because it does not rise to the level of a *prima facie* showing of obviousness. That is, nowhere in the prolix citations to Leason and/or Reed does the Examiner ever point out with particularity where each of the

limitations of the claims is found or would be attained by any combination of the references. Consequently, the rejection is improper and must be reversed.

CONCLUSION

In view of the foregoing, claims 1-13, 15-21 and 23-25 are submitted to be directed to a new and unobvious method and system for offering promotional awards to visitors of electronic commerce sites, which is not taught or suggested by the prior art. The Honorable Board is respectfully requested to reverse all grounds of rejection and to direct the passage of this application to issue.

Please charge any fee or credit any overpayment pursuant to 37 CFR 1.16 or 1.17 to Deposit Account No. 02-2135.

Respectfully submitted,
ROTHWELL, FIGG, ERNST & MANBECK, p.c.

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APPENDIX OF CLAIMS ON APPEAL

1. An electronic commerce apparatus for offering a promotional award to a visitor of an electronic commerce site, comprising:

a connection to a distributed communication network;

a promotional awards storage area, including a customer identifier storage that contains unique identification information for each visitor to said site, and a visitor parameter storage that contains information pertaining to prior visits to said site by visitors identified in said customer identifier storage; and

an awards rule storage that stores rules for crediting awards to visitors of said site according to information stored in said visitor parameter storage;

wherein a visitor of said site is granted a promotional award by retrieving visitor parameter information from said visitor parameter storage corresponding to customer identification information stored in said customer identifier storage in response to visitor identification information provided to said apparatus upon visitor access to said site, and applying retrieved visitor parameter information to award crediting rules retrieved from said awards rule storage.

2. The electronic commerce apparatus of claim 1, wherein said visitor parameter storage comprises a number of previous

visits storage that stores a number corresponding to the total number of visits to said site by a particular visitor, and wherein said awards rule storage stores an awards rule that determines a specific promotional award based on a number of previous visits to said site by a visitor as stored in said number of previous visits storage.

3. The electronic commerce apparatus of claim 1, wherein said visitor parameter storage comprises an award time storage that stores a time of a last award to a particular visitor, and wherein said awards rule storage stores an awards rule that determines a specific promotional award based on whether a predetermined time period has elapsed since said last award.

4. The electronic commerce apparatus of claim 1, wherein said visitor parameter storage comprises an award amount storage that stores a cumulative total value of awards credited to a particular visitor, and wherein said awards rule storage stores an awards rule that determines a specific promotional award based on the cumulative total award value stored in said award amount storage.

5. The electronic commerce apparatus of claim 4, wherein said award amount rule contains a predetermined promotional award limit.

6. The electronic commerce apparatus of claim 5, wherein said award limit is reset to zero when said visitor makes a purchase from said site.

7. The electronic commerce apparatus of claim 2, wherein said promotional award according to said awards rule increases with successive visits by said visitor.

8. The electronic commerce apparatus of claim 1, wherein said promotional award is credited to a purchase price of a purchase by said customer.

9. The electronic commerce apparatus of claim 1, wherein said apparatus is connected through said connection to the Internet.

10. A method for offering a promotional award to a visitor to an electronic commerce site, comprising the steps of:

detecting a site visit by a visitor and keeping track of a number of visits to said site and a number of purchases from said site by individually identified visitors; and

granting a promotional award to said visitor in accordance with award rules pertaining to the number of visits to said site by said visitor and purchases from said site by said visitor;

wherein said visitor is motivated to make multiple site visits and a purchase as a result of said promotional award.

11. The method of claim 10, wherein said promotional award increases with each site visit by said visitor.

12. The method of claim 10, wherein said promotional award increases incrementally with each site visit by said visitor.

13. The method of claim 10, wherein said promotional award is cumulative over successive site visits by said visitor.

15. The method of claim 10, wherein said promotional award is granted to said visitor if said visitor has not exceeded a predetermined promotional award limit.

16. The method of claim 10, wherein said promotional award is credited to a purchase price of a purchase by said visitor.

17. The method of claim 10, wherein said visitor must affirmatively select the promotional award.

18. The method of claim 10, wherein said electronic commerce site is accessed via the Internet.

19. A method of offering a promotional award to a visitor of an electronic commerce site, comprising the steps of:

detecting a site visit by a visitor and storing information identifying a visitor and identifying prior promotional awards credited to said visitor;

determining whether said visitor has already exceeded a predetermined promotional award limit;

granting a promotional award to said visitor if said visitor has not exceeded said predetermined promotional award limit and updating the value of said prior credited promotional awards associated with visitor identification information;

wherein said visitor is motivated to make multiple site visits and a purchase as a result of said promotional award.

20. The method of claim 19, wherein an amount of said promotional award increases with each site visit by said visitor.

21. The method of claim 19, wherein an amount of said promotional award increases incrementally with each site visit by said visitor.

23. The method of claim 19, wherein said visitor must affirmatively select the promotional award.

24. The method of claim 19, wherein said promotional award is credited to a purchase price if said visitor makes a purchase.

25. The method of claim 19, wherein said electronic commerce site is accessed via the Internet.